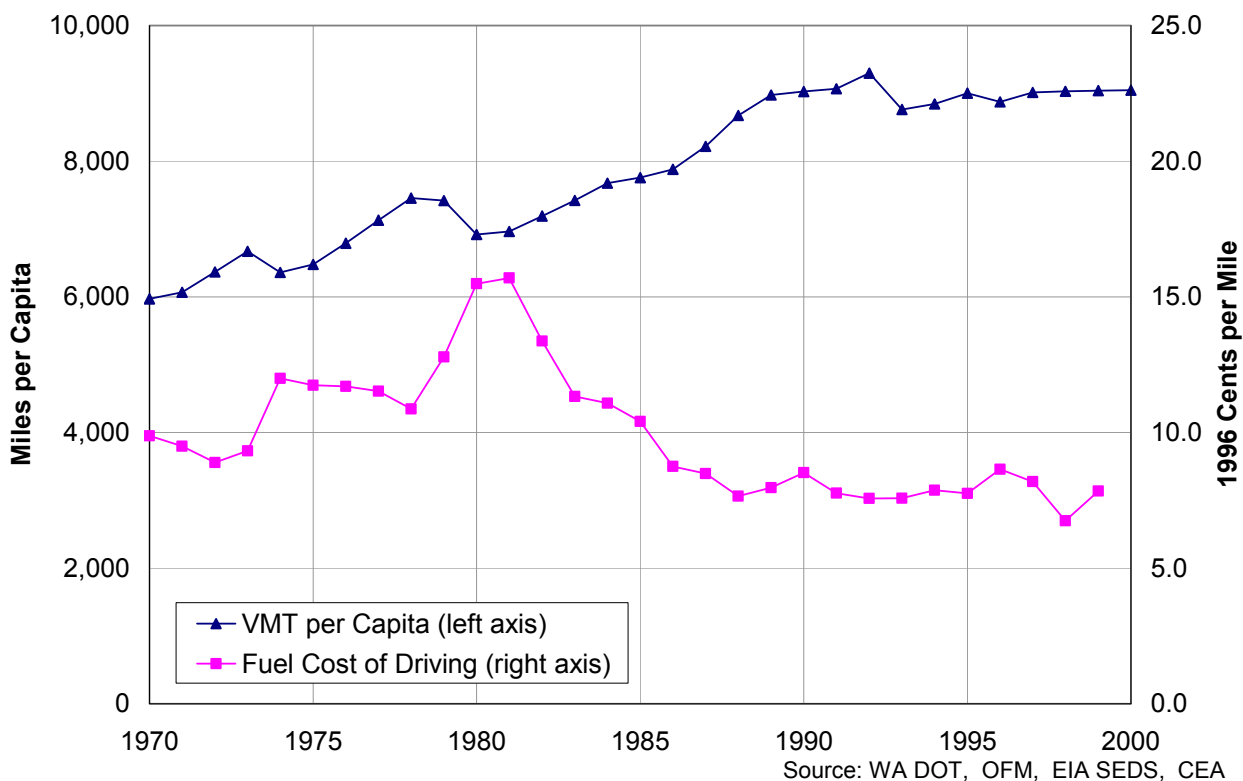


17. Transportation Sector Trends — Fuel Cost of Driving and Miles Driven

Fuel Cost of Driving and Miles Driven per Capita (1970-2000)



WASHINGTONIANS DROVE 52% MORE MILES PER CAPITA IN 1999 THAN THEY DID IN 1970. DURING THE SAME PERIOD THE FUEL COST OF DRIVING DECLINED 21%, REACHING AN HISTORIC LOW IN 1988.

This indicator juxtaposes the fuel cost of driving with miles driven per capita in Washington. Not surprisingly, these series exhibit a strong inverse relationship. The fuel cost of driving, calculated as real dollar highway energy expenditures divided by vehicle-miles traveled (VMT), spiked upward in 1974 and 1979-1980 as a result of the oil shocks. VMT per capita dropped slightly in response to higher prices, as unnecessary driving was temporarily curtailed. However, long-term factors such as land-use patterns, commuting habits, and the long lifetimes of vehicles mean that large swings in fuel prices lead to only small changes in miles driven.

Increasing sales of more fuel-efficient vehicles in the early 1980s combined with declines in the price of highway fuels caused a rapid drop in the fuel cost of driving, from a high of 15.7¢ per mile in 1981 to 7.6¢ in 1988 (in 1996 dollars). However, real gasoline prices have changed little since 1988, and increases in vehicle fuel efficiency have slowed dramatically as well, resulting in little change in the fuel cost of driving. Low gasoline prices helped push the fuel cost of driving to an historic low in 1988, but higher prices in 1999 reversed this trend. Meanwhile, vehicle travel increased steadily during the 1980's, but has been relatively constant during the 1990's.